

92-263

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JAN 29 1993

FCC MAIL ROOM

FCC  
1919 M St  
NW Washington D.C.  
20554  
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FEB - 8 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

To whom it May Concern

7L. Regarding Vyman Cable T.V. of Helena

My cable T.V. was out from Sat 5 PM.  
Jan 18<sup>th</sup> - Monday Jan 18<sup>th</sup> 4:30 PM.  
During that time there was only a recording  
saying there was nothing wrong in the area.  
However, the cable area was out of service  
and there was no one to answer a call,  
only a recording. This is a commonplace  
happening.

When I spoke to someone on Monday AM  
they had no idea what transpired during  
that time. I was told that I couldn't  
have a serviceman until Thursday Jan 21<sup>st</sup>.

Please if you can see to it that there  
are people to answer calls and servicemen  
available during weekends and nighttime  
problems.

Yours Truly  
Mark Youkil  
7100 Leg Dr West  
Oakland, CA 94621 33143

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FEB 10 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

EX PARTE OR LATE FILED

8335 SW 72nd Avenue  
Apt. D-218  
Miami, Florida 33143

January 25, 1993

FCC  
1919 M Street NW  
Washington, D.C. 20554

**Ladies and Gentlemen:**

I am not going to miss this opportunity to submit my complaints about local Miami Cable TV companies, and their inability to service their customers.

Attached hereto are copies of a couple of my complaints and my letters should be self-explanatory.

YES, the FCC should get involved and re-regulate basic cable TV!

Thank you.

Linda J. George

No. of Copies rec'd  
E. J. GDE

**STORER CABLE**  
COMMUNICATIONS

9825 S.W. 72nd Street  
Miami, Florida 33173  
(305) 595-0924

January 6, 1993

Dear Storer South Resident:

As you know, our crews continue to work 7 days a week to restore your cable services.

As we progressed with rebuilding our Cable System in your area, we found that actual damages exceeded our original estimates. This coupled with delayed equipment shipments has caused us to revise our original restoration dates.

The estimated timetable for the restoration of service in Zip Code 33156, East of US1 is:

52nd Ave. to 60th Ave.  
& 1/11/93  
88th St. to 132nd St.

60th Ave. to US1  
& 1/15/93  
88th St. to 112th St.

60th Ave to US1  
& 1/30/93  
112th St. to 132 St.

As we complete each area we will call you to verify that your service is restored. If your home was extensively damaged, we may need to set up an appointment to redo the interior cable installation.

Thank you for being a Storer Cable Customer. We look forward to providing you with the best in Cable TV entertainment and services for many years to come.

Sincerely,

DADE CABLE TELEVISION, INC.



Maureen O'Neill  
General Manager

# LOCAL

The Miami Herald

SECTION  
MONDAY,  
JANUARY 25, 1993

B

## Cable TV complaint?

### FCC wants customers to suggest new rules

■ HOW TO COMMENT, 8B

By ALINA MATAS

Herald Staff Writer

When George Brown lost cable service again, he called his cable company in South Miami to report the outage.

He got a busy signal. Again.

"I have tried calling to complain about the signal going out, and inevitably, the phone lines are always busy," said Brown, who eventually bought a switch that lets him change over to a regular antenna when his cable goes out.

The federal government soon

may help Brown get through to South Miami's Cable Satellite.

As the Federal Communications Commission begins to re-regulate the cable industry, it could require cable companies to reduce the number of times customers call and get a busy signal. Or how many times the phone can ring before someone answers. And even how fast cable companies should reimburse customers for interrupted service.

As it writes these regulations, the FCC is welcoming comments from the public. Consumer advocates view the impending re-regulation — the FCC will begin

issuing rules in April, but the effective dates could be months later — as a call to anyone who wants a responsive industry.

"It's important that local jurisdictions and consumers comment, because they're not going to have another opportunity for a long time," said Cathy Grimes, cable television coordinator for the Metro-Dade Consumer Services Department. The office handled 1,122 cable customer complaints in 1992.

One city, Miami Beach, has asked the FCC to go even further and give municipalities the power to audit a cable company's

## 1992 CABLE COMPLAINTS

Here are 1992 complaint totals for cable companies serving.

	Total complaints	Complaints per 1,000 subscribers
Cable Satellite	250	30.5
TCI Cablevision	17	19.4
Miami TCI	228	5.5
Storer/South	233	5.0
Storer/North	211	3.2
Adelphia	181	2.6
Gold Coast/Ticket	93	2.3
Dynamic	121	1.7

Source: Metro-Dade Office of Cable TV Coordination; City of Miami Office of Cable TV.

telephone response every month. It also wants service interruptions and other problems solved 24 hours a day, billing and service centers to stay open late or on weekends, and for cable companies to be fined up to \$200 a

day for poor service.

"In terms of customer service, we are so far down we can only go up," said Matthew L. Leibovitz, the attorney who wrote the

PLEASE SEE CABLE, 8

## 'A VERY IMPORTANT DAY FOR MOST CUBANS'



New school  
report card  
to be sent  
this week

# New rules may improve cable TV

CABLE, FROM 1B

comments for Miami Beach.

## Cable companies object

Cable companies shrug at government-mandated standards.

"We don't need government to tell us how to service our customers," said Tony Bello, director of business development for Florida for Storer Cable. "We know how to service our customers."

Some customers disagree.

"They put the burden on the customer," said Hosea Smith, who wants his cable company in Miami Lakes to credit him for the times he has lost his signal — an hour here, two hours there. "If it happens one more time, I'm going to go ahead and cancel. I'm fed up with it."

Metro-Dade — which licenses all companies in Dade — requires cable companies to credit customers for interrupted service that lasts at least six hours. The county adopted revised service standards in 1990. Among the new requirements: calls must be answered in 30 seconds; if service is out six hours, the customer gets a one-day credit; and less than 3 percent of callers can receive a busy signal.

The problem is most companies operating Dade don't have to comply yet. The companies are subject to the new standards when they renew their licenses.

*The Federal Communications Commission is rewriting regulations for cable companies. It welcomes comments from the public.*

Adelphia and Cable Satellite came under the new standards when they renewed their licenses in 1990. "We didn't think we needed it," said Bruce Ellis, general manager of Adelphia Cable Partners, which has 71,422 subscribers in South Dade. "But we didn't think it would be too burdensome either."

Four others companies — Dynamic Cablevision, Storer/North, Storer/South and Gold Coast Cablevision — will have to comply later this year. Miami Tele-Communications and TCI Cablevision of Florida are not due for license renewal until 1997.

## 'So many complaints'

"We set the standards because we were getting so many complaints," the county's Grimes said. "If the FCC adopts service standards, subscribers will have another safety net."

The FCC also will regulate rates. Nationwide, the average monthly cable rate has grown almost three times as fast as the Consumer Price Index since 1986, according to FCC documents.

The FCC will come up with a pricing formula for basic service, which includes local, government and educational channels. Rates for expanded services — channels such as CNN, TNT, ENT — will be regulated through a complaint-response system, the details of which also are still being worked out.

The FCC may use the same formula for expanded service. "There's a very good argument that if not, they could move channels from one tier to the next tier to avoid regulation," said William Johnson, deputy chief of the FCC's mass media bureau.

## Spanish station watching

One local Spanish-language broadcast station — WSCV, Channel 51 — is watching closely the FCC regulations. New regulations could settle an ongoing dispute between the station and Storer/North. The cable company does not offer Channel 51 to its 67,421 subscribers in Northwest Dade and South Broward.

"It is abusive and it is wrong," said Jose Cancela, the station's general manager. "There's

## TO COMMENT

To give your views on the re-regulation of cable TV, write the FCC at: 1919 M St. NW, Washington, D.C. 20554.

The deadline to submit comments on the rates issue is Wednesday; for other comments, the deadline is Feb. 11. Copies of some comments submitted have been placed in all public libraries.

For more information, call the county's office of cable television coordination at 375-3677, 8 a.m. to 5 p.m., weekdays.

30,000 Hispanic households, and we're looking very seriously at filing a lawsuit against Storer North. It's hampering our ability to do business."

Storer's Bello said the company plans to add Channel 51 in North Dade by October 1994, when its system will be expanded. Bello said he doubts the FCC will adopt a "must carry" rule requiring cable companies to offer all local stations. The industry has challenged the provision in court.

**JORDAN E. BUBLICK P.A.**

The hiring of a lawyer is an important decision that should be made after consultation with a qualified attorney.

**SAVE**

**ON**

**Miami Hurricanes**

**TUES**

Save \$3 on ticket game when the Can Miami Arena

Present this coupon to the Office and any Ticketmaster ticket. Valid for up to four For info

**The Miami Herald**

**The Miami Herald**

invite the general public

**TEN CONTEMPORARY FLORIDA**

Get away from it all. Travel shows you how, from budget weekend trips to 'round the world cruises.

LINDA J. GEORGE  
8335 SW 72 Avenue  
The Ledges Condominium  
Apt. D-218  
Miami, Florida 33143

December 28, 1992

Storer Cable Comm Inc.  
9825 S.W. 72 Street  
Miami, Florida 33173-4617

Dear Sirs:


It is impossible to contact you by telephone. Your phones are constantly busy day and evening, and there is not even the courtesy of a message service at Storer.

I am hereby documenting to you my disappointment and outrage at your incredible increase in your fees.

I can understand double, and perhaps even triple increase, but in no way am I going to pay you FOUR times my previous rate of \$9.89. In the first place, the reception I receive is terrible, always snowy and jumping. Whenever I call, I get a rude representative on the line at Storer. I'm afraid Storer really dropped the ball on this one as you did not even make a customer service marketing survey to see just how far you could push your increase without having hundreds of cancellations.

Please cancel my entire cable service effective immediately. I need you to call me at (305) 350-7631 or (305) 667-6012 in the evening, to arrange for your technician to come and disconnect the cable service, to remove your converter box, and to reconnect my TV to the roof antenna (which was originally disconnected by Storer when you installed the cable).

Linda J. George  
(305) 350-7631 (day phone)



cc: Storer Pittsburgh

STORER CABLE COMM INC.  
9825 S.W. 72 ST  
MIAMI FL 33173-4617

DATE DUE  
ON RECPT  
\*\*\*IMPORTANT\*\*\*  
PLEASE HELP US  
UPDATE YOUR  
TELEPHONE NUMBER\$  
HM: - -  
WK: - -

AMOUNT DUE  
31.59

--	--

PLEASE INDICATE  
AMOUNT ENCLOSED

PLEASE RETURN THIS TOP PORTION ONLY, WITH REMITTANCE TO ... Thank You!

000-12-92-A-C

\*\*1 CP 1.77069.TF\*\*CR 28  
MS LINDA GEORGE  
8335 SW 72ND AV APT 218  
MIAMI FL 33143-7645

STORER CABLE COMMUNICATIONS  
PO BOX 371431  
PITTSBURGH PA  
15250-7431

15594 230903 02 0 2 003159

STORER CABLE COMM INC.  
9825 S.W. 72 ST  
MIAMI FL 33173-4617

DATE DUE  
ON RECPT  
\*\*\*IMPORTANT\*\*\*  
PLEASE HELP US  
UPDATE YOUR  
TELEPHONE NUMBER\$  
HM: - -  
WK: - -

AMOUNT DUE  
31.59

--	--

PLEASE INDICATE  
AMOUNT ENCLOSED

PLEASE RETURN THIS TOP PORTION ONLY, WITH REMITTANCE TO ... Thank You!

000-12-92-A-C

\*\*1 CP 1.77069.TF\*\*CR 28  
MS LINDA GEORGE  
8335 SW 72ND AV APT 218  
MIAMI FL 33143-7645

STORER CABLE COMMUNICATIONS  
PO BOX 371431  
PITTSBURGH PA  
15250-7431

15594 230903 02 0 2 003159

STORER CABLE  
COMM INC.

ACCOUNT NUMBER  
15594-230903-02-0

BILLED FROM BILLED TO DATE DUE INCLUDES PAYMENTS  
1/01/93 1/31/93 ON RECPT 12/18/92 RECEIVED BY

FOR- 8335 SW 72ND AV APT 218

11/30 BEGINNING BALANCE 12.44-  
1/01- 1/31 CABLE SERVICE 26.30  
1/01- 1/31 SALES TAX 2.59  
1/01- 1/31 FRANCHISE FEE 1.59  
1/01- 1/31 EXPANDED BASIC 2.80  
1/01- 1/31 SHOWTIME SERVICE 10.75  
12/31 BALANCE DUE 31.59

JAN 01 THRU JAN 31, 1993

THANK YOU FOR BEING A STORER CABLE  
SUBSCRIBER WHERE THE CUSTOMER COMES  
FIRST. PAYMENT CAN BE MADE IN OUR  
OFFICE AT 9825 SW 72 ST OR MAILED AS  
ADDRESSED. ALL PAYMENTS MUST BE IN  
OUR OFFICE BY THE 10TH OF THE MONTH.

595-0766

Linda J. George  
6730 SW 88th Street, Apt. C-114  
Miami, Florida 33156

August 6, 1991

General Manager  
Storer Cable Comm Inc.  
9825 S.W. 72 Street  
Miami, florida 33173-4617

Dear Storer Cable:

This is a complaint letter concerning the extremely poor quality of your cable service. Every day it seems to be degenerating more and more.

Every day I have technical and picture reception difficulties, and major interruptions followed by long "snow"-filled TV hours during which it is impossible to receive any station at all.

When I call your reception problems number 595-1892, it is constantly busy. Once, out of curiosity, I kept dialing that number for at least 25 minutes, and kept getting a busy signal. When I try to call your customer service number 595-0766 as an alternative number to complain about reception problems, it is also the same story - busy for hours. When the phone is finally answered, one is also kept on hold for another 15 to 20 minutes.

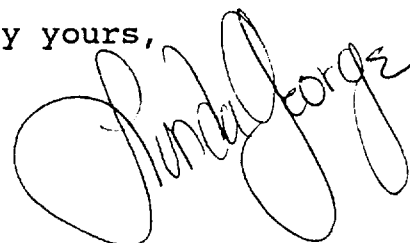
Once, I called after a 10 hour period of "snow" disruption, and before I had a chance to tell your reception representative where I was calling from, she told me that Storer was having satellite problems in my area. I had not mentioned from which part of Miami I was calling.

I do not know how you can run a business with this low level of service. It occurred to me that perhaps the phones at Storer are purposely put on "call busy" during your satellite system down times because Storer does not want to have to address the complaints of irate consumers?

It is obvious that at the present time cable companies do have considerable leeway because of their system monopolies. However, when the time arrives whereby the market will take over, quality of service will surely be a deciding factor for many consumers as to whether or not they will choose to retain Storer Cable Comm. which may also decide whether or not you stay in business.

Very truly yours,

cc: Art Simon, Representative  
Kendall Area

A handwritten signature in black ink, appearing to read "Linda J. George", is written over the "Very truly yours," text.



January 6, 1993

rec'd 1/14/93

Dear Resident:

A 1992 audit of our billing records indicated that residents of several communities were receiving a special rate for cable services for several years. This reduced rate was made available to your complex as an introductory offer to new customers. It was not meant to be a permanent rate structure, but a way to sample our services at a nominal cost.

What about  
customers  
on  
Fixed  
Incomes?

Prior to Hurricane Andrew we were in the process of adjusting these rates to standard residential rates. Of course, when the Hurricane hit, we discontinued this adjustment process. In the interim, we have been working around the clock to restore service to our customers. Partial service was restored to your area at the end of November and you have received several weeks of cable service at no charge.

You recently received a statement for cable service resuming billing at standard rates, effective January 1, 1993. It was our intent to notify you of these changes at the end of November. However, since that did not occur we will not begin charging you for service until February 1, 1993.

For your information, our standard monthly rates for cable service are as follows:

1st TV - Basic Cable (33 Channels).....	\$ 21.30*
- Expanded Basic (5 Channels).....	\$ 2.80
Additional TV's.....	\$ 4.00
Showtime.....	\$ 10.75
Converter.....	\$ 5.00

\* All rates quoted subject to applicable State Sales Tax and County Franchise Fees.

You may add or remove any of these services at no charge simply by calling Customer Service at (305) 595-0766, Monday through Friday from 8:00 AM until 7:00 PM or Saturday from 8:00 AM until 5:00 PM.

Page..2

We have been invited to address your Condominium Association Board in the next 2 weeks to discuss an alternative to individual customer billing. We can offer a special low rate of \$13.25 per unit for 38 Basic Channels, plus our premium movie service, Encore if all units participate. Your Board will notify you of the results of our meeting.

We hope that this letter answers the questions that many of you had after receiving your last statement.

Thank you for being a Storer Cable Customer. We look forward to providing you with the best in Cable TV entertainment and services for many years to come.

Sincerely,

DADE CABLE TELEVISION, INC

A handwritten signature in black ink, appearing to read 'Steve Alpert', written over a horizontal line.

Steve Alpert  
Commercial Accounts Manager

SA:ng

dose of sedatives and alcohol when his son was 26. Ladd calls their relationship "basically nonexistent"—but all along, he was drawn to films, seeing as many as 18 in a week. "I should probably see a shrink, although I know it was probably to win my father's approval," he says of the obsession.

Even so, Ladd initially avoided show biz, trying his hand at real estate management. But he gravitated toward film, first as an agent, with such clients as the young Robert Redford. After four years in London as a producer, he joined Fox, and by 1977 was studio president. He left in a huff in 1979, when then-Chairman Stanfill refused to pay Fox executives bonuses.

MGM is a homecoming of sorts for Ladd. While running the studio in the mid-1980s, he tried to buy it, but he couldn't get the financing. He later became furious when Kerkorian tried to sell MGM to producers Peter Guber and Jon Peters without informing Ladd. His anger led to a confrontation in an MGM elevator, in which he uncharacteristically hollered at Kerkorian. Ladd quit the following year, 1988, when Kerkorian tried to pare expenses by firing all the producers Ladd had brought to the studio.

**ROLLER COASTER.** Within six months, Ladd had traded one difficult financier for another: He wound up at Parretti's Pathe, which was soon to buy MGM. Granted freedom to make whatever films he wanted, Ladd signed a four-year contract as producer that promised him at least \$2.5 million a year in salary and \$125 million a year for production. Friends were skeptical about Parretti, but Ladd wanted a change: "I had played it conservatively for most of my life. I thought it was time to try the roller coaster."

That coaster crashed early this year, three months after Parretti bought MGM. Ladd considered quitting because of unpaid bills, but opted to stay after Crédit Lyonnais provided a cash infusion—and gave him a new four-year, \$3.2 million-a-year contract. Now, he's negotiating to increase funds for production. So far he has lined up Zanuck to do another film, *Rich in Love*. And producer Albert "Cubbie" Broccoli may do a James Bond movie for the studio. Ten other films, in the can but sitting on the shelf because of financial problems, are scheduled for release in the next few months.

Ladd concedes it's tough, emotionally, to groom the old MGM lion just to sell it off. But he has no choice. Already, he says, he has talked with two potential Japanese buyers and knows of other interested parties. Ladd no longer harbors ambitions to buy MGM himself, though. After the rough couple of months he's been through, no one can blame him.

By Ronald Grover in Los Angeles

## Media

**FIGHTING BACK:  
LAYING FIBER-OPTIC  
CABLE IN NEW YORK**

**CABLE TV**

## WHY CABLE COMPANIES ARE PLAYING SO ROUGH

They're terrified of the Baby Bells and other high-tech rivals

**F**or years, the cable-television establishment seemed to have everything wired. It persuaded state and local lawmakers to write stiff rules for upstart cable companies trying to break into their monopoly franchises. And it thwarted a congressional drive last year to place new curbs on established cable operators, even though consumers were raising hell about skyrocketing rates and poor service.

But on July 25, the future of the \$18 billion cable business began to slip out of the industry's hands. U.S. District Judge Harold H. Greene lifted regulations that barred the seven regional Bell telephone companies from entering the information-services business. Greene's ruling means the Baby Bells can use their phone lines to offer services such as home shopping and banking. Now, lobbyists say it's only a matter of time before Congress allows phone companies to compete directly with cable by offering television programs.

That's a scary prospect for the industry, which is already under attack from new technology such as direct-broadcast

satellites and wireless cable, and from upstart rivals within the business (table). Worse, all these threats are coming as cable's days of torrid growth are ending. While 90% of U.S. homes can receive cable, only 60% subscribe. That means just about everybody who wants cable already gets it. The slackening appetite has slowed cable's annual revenue growth from 38% in 1980 to 13% in 1990.

**TOUGH GUYS.** To stem the tide, the industry is resorting to some rough tactics. Besides heavy-duty lobbying, cable operators are using hardball marketing campaigns to quell competition. To snuff out the new technology, they're denying rivals access to programming. "These guys are the NRA of the video age," says Harry P. Cushing, president of Telesat Cablevision Inc., which has been taking on established cable services in Florida.

Like the National Rifle Assn., the cable industry is a powerful Washington player. Last year, its trade group, the National Cable Television Assn., side-tracked a popular measure that would have allowed cities to impose tough regulations on cable franchises. The NCTA

enlisted Senator Timothy E. Wirth (D-Colo.), whose state is home to several major cable companies, to bury the measure, at least for now.

Such past legislative victories may owe something to the \$565,000 that the NCTA lavished on congressional campaigns in the last election. But stopping the Baby Bells is another matter. For one thing, the Bush Administration, which opposed tougher cable regulation, favors letting phone companies into the business. It didn't help when the General Accounting Office reported on July 18 that rates have ballooned 61% since cable deregulation in 1986.

Cable operators are terrified of the Baby Bells because their pervasive network of phone lines gives them access to virtually every household in America. And they can use these phone lines to offer state-of-the-art interactive programming. That would allow customers to select the time and day they want to watch a specific program simply by pressing buttons on a keypad.

**BIG STICKS.** Such innovations are years away. But the cable industry is already hustling to offer similar services. Time Warner Inc., the nation's second-largest cable supplier, is installing fiber-optic cable in its Queens (N.Y.) system. The new technology will allow it to offer interactive services, too. Fiber optics also allows cable to compete with direct-broadcast technology. DBS, which transmits TV signals via satellite to small receiving dishes, can offer many more channels than current cable technology. But by using fiber optics, Time Warner will be able to expand the number of channels it can offer in Queens from 75 to 150.

Fiber optics may be only the most benign way cable is meeting the DBS challenge. Critics say some cable heavyweights are trying to quash the technology by co-opting it. Last November, 9 of the top 15 cable operators, including No. 1 Tele-Communications Inc. (TCI), started their own DBS service.

The venture, called K Prime Partners, has several thousand subscribers in 40 test markets. But critics say that by pooling so many big players, K Prime could eventually swamp any competing systems. Moreover, they say the partners are marketing K Prime only as a supplement

to their basic cable service rather than as a rival technology. Nine states and the U.S. Justice Dept. are scrutinizing the venture to determine if it violates antitrust law. K Prime's executive vice-president, David P. Beddow, insists it isn't anticompetitive.

Perhaps the most powerful weapon the industry has to thwart competition is

## The cable operators' strongest weapon: A virtual lock on programming

its virtual lock on programming. Several big cable-franchise holders also own programming companies. Time Warner, for example, is one of Hollywood's largest TV programmers through its HBO, Warner Bros., and Lorimar Television divisions. By limiting access to shows, cable operators can leave rivals with little desirable programming to bounce off their satellites or to send over their phone lines.

Take Sky Cable, a DBS venture backed by Rupert Murdoch's News Corp., General Motors' Hughes Communications, NBC, and Cablevision Systems. The project ground to a virtual halt in June, largely because the partners feared they wouldn't have access to programs. The

cable industry says it should be able to sell shows to whomever it pleases.

If competition from outsiders isn't enough, established cable franchises face a growing threat from new cable operators. Since 1989, the number of cities with competing cable companies has doubled, to about 50. But that growth hasn't come without a fight. When Telesat applied for a cable-TV license for Cape Coral, Fla., in 1988, incumbent franchisee Cablevision Industries counterattacked with a blistering ad and letter campaign. It claimed that Telesat would damage or destroy hundreds of trees by erecting poles to string its cable. Telesat finally prevailed after a heated six-hour city council meeting that lasted until 1 a.m.

When efforts to block rivals fail, some cable companies resort to bare-knuckles marketing tactics. Pacific West Cable Co. sued Scripps Howard Co.'s Sacramento Cable in 1989—charging that after Pacific West received a franchise in Sacramento in 1989, Sacramento Cable slashed rates, offered free service, and gave away TVs in areas where Pacific West had laid cable. Pacific West claims Sacramento Cable employees followed its salespeople door-to-door and disrupted their efforts to sign up customers. Scripps settled the suit on Apr. 8 by agreeing to pay Pacific West \$12 million.

Cable operators are using more subtle public relations techniques as the industry redoubles its campaign against new regulations. In June, 1990, Cleveland's *The Plain Dealer* published an article by an apparently independent expert blasting the legislation. But Ohio University economics Professor Richard K. Vedder was paid \$1,000 to write the piece by public-relations man James M. Savarese. Savarese, who works for the cable industry, even vetted the article so that it hewed to the party line. Vedder says he should have disclosed the link: "Maybe I was a little naive." Savarese couldn't be reached for comment.

Such tactics won't burnish cable's reputation. That could prove costly when measures to free the phone companies are tossed into the legislative hopper. With the Baby Bells poised to enter the fray, cable will need all the allies it can get.

By Mark Lewyn in Washington

## MORE STATIC

*Cable franchises are lucrative—and under attack:*

### THE THREAT

Phone companies that want laws letting them deliver TV programming via phone lines. On July 25, a federal judge allowed them to start offering home shopping and banking

Direct-broadcast satellites and microwave cable that deliver hundreds of channels

Rival cable operators that want to horn in on existing local monopolies. The number of cities with competing cable systems has doubled since 1989

DATA: BW

### THE RESPONSE

Make campaign contributions to key members of Congress hoping to influence legislation. Install fiber-optic wire, wire that also delivers interactive service

Keep a tight rein on programming and start rival joint ventures in direct broadcast

Lobby for stiff restrictions on newcomers and drive them out in price wars

